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LEGISLATIVE HISTORY

Public Law 517--77th Congress

Chapter 220--2d Session

H. R. 6023

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DIGEST OF PUBLIC LAW 517

PAYMENTS FOR ANNUAL LEAVE TO U. S. EMPLOYEES WHO ENTER MILITARY OR NAVAL SERVICE. Amends the act of August 1, 1941, so as to provide that employees of the U. S., its territories or possessions, or D. C. who, subsequent to May 1, 1940, shall have entered active military or naval service by voluntary enlistment or otherwise, shall be entitled to receive, in addition to their military pay, compensation in their civilian positions covering their accumulated or current accrued leave, or to elect to have such leave remain to their credit until their return from service.

INDEX AND SUMMARY OF HISTORY OF H. R. 6023

November 13, 1941	H. R. 6023 was introduced by Rep. West and was referred to the House Committee on the Civil Service. Print of the bill as introduced.
December 19, 1941	House Committee reported H. R. 6023 with amendments. House Report 1550. Print of the bill as reported.
January 8, 1942	H. R. 6023 was debated in the House and passed as reported.
January 9, 1942	H. R. 6023 was referred to the Senate Committee on Civil Service. Print of the bill as referred.
March 5, 1942	Senate Committee reported H. R. 6023 without amendment. Senate Report 1153. Print of the bill as reported.
March 30, 1942	H. R. 6023 was discussed in the Senate and passed as reported.
April 7, 1942	Approved. Public Law 517.

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77TH CONGRESS
1ST SESSION

H. R. 6023



IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 13, 1941

Mr. WEST introduced the following bill; which was referred to the Committee on the Civil Service

A BILL

To provide for the payment for accumulative or accrued annual leave to certain employees of the United States, its Territories or possessions, or the District of Columbia, who voluntarily enlist in the military or naval forces of the United States.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Act entitled "An Act making provisions for pay-
4 ment of employees of the United States Government, its
5 Territories or possessions, or the District of Columbia, for
6 accumulated or accrued annual leave when ordered to active
7 duty with the military or naval forces of the United States",
8 approved August 1, 1941, is amended to read as follows:

1 "That employees of the United States Government, its
2 Territories or possessions, or the District of Columbia (in-
3 cluding employees of any corporation created under authority
4 of an Act of Congress which is either wholly controlled or
5 wholly owned by the United States Government, or any
6 corporation, all the stock of which is owned or controlled
7 by the United States Government, or any department,
8 agency, or establishment thereof, whether or not the em-
9 ployees thereof are paid from funds appropriated by Con-
10 gress), who have heretofore or who may hereafter be
11 ordered to active duty with, or who voluntarily enlist for
12 service with, or who have on or after the date of the
13 enactment of the Selective Training and Service Act of 1940
14 voluntarily enlisted for service with the military or naval
15 forces of the United States shall be entitled to receive, in
16 addition to their military pay, compensation in their civilian
17 positions covering their accumulated or current accrued leave,
18 or to elect to have such leave remain to their credit until
19 their return from active military or naval service."



A BILL

To provide for the payment for accumulative or accrued annual leave to certain employees of the United States, its Territories or possessions, or the District of Columbia, who voluntarily enlist in the military or naval forces of the United States.

By Mr. West

NOVEMBER 13, 1941

Referred to the Committee on the Civil Service

PAYMENT FOR ACCUMULATED OR ACCRUED LEAVE OF
GOVERNMENT EMPLOYEES ENTERING MILITARY OR
NAVAL FORCES

DECEMBER 19, 1941.—Committed to the Committee of the Whole House on the
state of the Union and ordered to be printed

Mr. RAMSPECK, from the Committee on the Civil Service, submitted
the following

REPORT

[To accompany H. R. 6023]

The Committee on the Civil Service, to whom was referred the bill (H. R. 6023) to provide for the payment for accumulated or accrued annual leave to certain employees of the United States, its Territories or possessions, or the District of Columbia, who voluntarily enlist in the military or naval forces of the United States, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

In the title of the bill strike out the word "in", after the word "enlist", and insert the words "or otherwise enter".

On page 2, line 10, after the word "who", insert a comma and strike out the language from there, through the words "United States" in line 15, and insert the following:

subsequent to May 1, 1940, shall have entered upon active military or naval service in the land or naval forces of the United States by voluntary enlistment or otherwise.

STATEMENT

Congress earlier in this session enacted a law (Public, 202, 77th Cong.) which provides that employees ordered to active military or naval service be paid for any accumulated or accrued leave they had to their credit at the time, or could elect to have the leave remain to their credit until they returned from such service.

This law has been held not to apply to employees who voluntarily enlist in the military or naval services, and further that such employees who volunteer will forfeit any accrued leave to their credit. Thus

it will readily be seen that a benefit is extended to those who enter through selective service or from the various reserve organizations, but it is not extended to those who volunteer.

The purpose of this bill is to give the same benefit and treatment to all alike regardless of how they enter the military or naval services.

The amendment in the title is merely to make it more expressive of the purpose of the bill.

For the information of the membership of the House there is printed below a letter from the Civil Service Commission, which thoroughly explains what the bill does and the purpose of the amendment.

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., December 11, 1941.

Hon. ROBERT RAMSPECK,
Chairman, Committee on the Civil Service,
House of Representatives.

DEAR MR. RAMSPECK: Further reference is made to your letter of November 14, 1941, requesting a report of the Commission's views regarding H. R. 6023, a bill to provide for the payment for accumulative or accrued annual leave to certain employees of the United States, its Territories or possessions, or the District of Columbia who voluntarily enlist in the military or naval forces of the United States.

H. R. 6023 is an amendment of the act of August 1, 1941 (Public Law 202, 77th Cong.), which reads as follows:

" * * * employees of the United States Government, its Territories or possessions, or the District of Columbia (including employees of any corporation created under authority of an act of Congress which is either wholly controlled or wholly owned by the United States Government, or any corporation, all of the stock of which is owned or controlled by the United States Government, or any department, agency, or establishment thereof, whether or not the employees thereof are paid from funds appropriated by Congress), who have heretofore or who may hereafter be ordered to active duty with the military or naval forces of the United States shall be entitled to receive, in addition to their military pay, compensation in their civilian positions covering their accumulated or current accrued leave, or to elect to have such leave remain to their credit until their return from active military or naval service."

Because of the words "ordered to active duty", the foregoing statute has been held to apply only to civilian employees of the Government who are inducted into the military or naval service without their consent, such as those inducted under the Selective Training and Service Act (including those who volunteer for induction) and those inducted under the act of August 27, 1940. It does not apply to civilian employees of the Government who voluntarily enlist in the regular armed forces of the United States (Dec. Comp. Gen. September 13, 1941, B-20149). Employees who voluntarily enlisted in the regular armed forces, moreover, were formerly required to forfeit any accrued leave which may have been due them at time of entrance in military service, since their status as soldiers was held to be incompatible with their status as civilian employees (20 Comp. Gen. 257, November 13, 1940).

Subsequent to the act of August 1, 1941 (Public Law 202, 77th Cong.), however, namely, on August 18, 1941, there was enacted the Service Extension Act of 1941 (Public Law 213, 77th Cong.), section 7 of which provides in part as follows:

"Any person who, subsequent to May 1, 1940, and prior to the termination of the authority conferred by section 2 of this joint resolution, shall have entered upon active military or naval service in the land or naval forces of the United States shall be entitled to all the reemployment benefits of section 8 of the Selective Training and Service Act of 1940 to the same extent as in the case of persons inducted under said Act; *Provided*, That the provisions of section 8 (b) (A) of said Act shall be applicable to any such person without regard to whether the position which he held shall have been covered into the classified civil service during the period of his military or naval service."

Under this statute, persons who voluntarily enlist for service in the regular armed forces of the United States are, upon discharge therefrom, entitled to "all

the reemployment benefits of section 8 of the Selective Training and Service Act of 1940 * * *." Section 8 of the Selective Training and Service Act of 1940 provides with respect to any person inducted into the land and naval forces of the United States as follows:

"(b) In the case of any such person who, in order to perform such training and service, has left or leaves a position, other than a temporary position, in the employ of any employer and who (1) receives such certificate, (2) is still qualified to perform the duties of such position, and (3) makes application for reemployment within forty days after he is relieved from such training and service—

"(A) if such position was in the employ of the United States Government, its Territories or possessions, or the District of Columbia, such person shall be restored to such position or to a position of like seniority, status, and pay;

* * * * *

"(c) Any person who is restored to a position in accordance with the provisions of paragraph (A) or (B) of subsection (b) shall be considered as having been on furlough or leave of absence during his period of training and service in the land or naval forces, shall be so restored without loss of seniority, shall be entitled to participate in insurance or other benefits offered by the employer pursuant to established rules and practices relating to employees on furlough or leave of absence in effect with the employer at the time such person was inducted into such forces, and shall not be discharged from such position without cause within one year after such restoration."

Employees of the Government who since May 1, 1940, have by voluntary enlistment entered the regular armed forces of the United States are, therefore, by joint application of the statutory provisions quoted above, entitled to mandatory reinstatement in their former positions, and, upon such reinstatement, are considered "as having been on furlough or leave of absence * * *" and are therefore "entitled to participate in insurance or other benefits offered by the employer pursuant to established rules and practices relating to employees on furlough or leave of absence * * *." One of the established rules and practices relating to employees on furlough or leave without pay is section 9 (b) of the Annual Leave Regulations (Executive Order No. 8384 of March 29, 1940), as follows:

"An employee who is ordered to active military, naval, or Coast Guard duty may, prior to the exhaustion of his accumulated and current accrued leave, be granted leave or furlough without pay during all or any portion of the period necessary to perform such duty."

Employees who since May 1, 1940, voluntarily enlisted in the armed forces of the United States, therefore, are, upon honorable discharge, required to be reinstated to their civilian positions and recredited with such annual leave as may have been due them. There is still no authority, however, to pay such employees for accumulated or accrued annual leave at the time of their induction into the military service.

H. R. 6023 would amend existing law on this subject by providing for such compensation in the case of persons who were inducted by voluntary enlistment or otherwise in the armed forces. In other words, the bill would extend to persons who voluntarily enlist in the armed forces the benefits of Public Law 202, which are now available only to persons who are ordered to active duty with the military or naval forces. At the same time, however, H. R. 6023 would limit the benefits of Public Law 202 with respect to both those who are ordered to active duty and those who voluntarily enlist to persons who entered the armed forces since September 16, 1940 (the date of the Selective Training and Service Act of 1940), whereas Public Law 202 is now applicable to any person who "has heretofore or may hereafter be ordered to active duty." In order that the benefits of compensation for accrued leave may be coextensive with the benefits of mandatory reinstatement under section 7 of the "Service Extension Act of 1941," the Commission recommends that H. R. 6023 be so amended as to be applicable to any person who was inducted into the military or naval forces of the United States by voluntary enlistment or otherwise since May 1, 1940. Unless this is done, there would be an inequity of treatment in the case of persons who voluntarily enlisted between May 1 and September 16, 1940, and those who voluntarily enlisted after the latter date. Those who enlisted after September 16, 1940, would, under the present language of H. R. 6023, be entitled to compensation for accrued annual leave, whereas those who enlisted between May 1 and September 16, 1940, would be entitled to mandatory reinstatement, and upon reinstatement be entitled only to be recredited with such leave as may have been due them (Dec. Comp. Gen.

November 3, 1941, B-20822). The Commission accordingly has the honor to recommend that H. R. 6023 be amended to read as follows:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act making provisions for payment of employees of the United States Government, its Territories or possessions, or the District of Columbia, for accumulated or accrued annual leave when ordered to active duty with the military or naval forces of the United States," approved August 1, 1941, is amended to read as follows:

"That employees of the United States Government, its Territories or possessions, or the District of Columbia (including employees of any corporation created under authority of an Act of Congress which is either wholly controlled or wholly owned by the United States Government, or any corporation, all the stock of which is owned or controlled by the United States Government, or any department, agency, or establishment thereof, whether or not the employees thereof are paid from funds appropriated by Congress), who, subsequent to May 1, 1940, shall have entered upon active military or naval service in the land or naval forces of the United States by voluntary enlistment or otherwise shall be entitled to receive, in addition to their military pay, compensation in their civilian positions covering their accumulated or current accrued leave, or to elect to have such leave remain to their credit until their return from active military or naval service,"

The Bureau of the Budget has advised this office that there is no objection to the submission of this report.

Very sincerely yours,

HARRY B. MITCHELL, *President.*

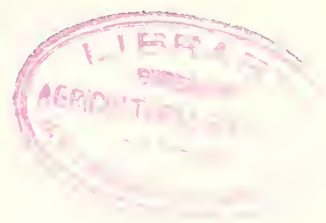
CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in Public Law 202, Seventy-seventh Congress, as proposed by this bill, are shown as follows (existing law proposed to be omitted is enclosed in black brackets; new matter is printed in italics; and existing law in which no change is proposed is shown in roman):

* * * employees of the United States Government, its Territories or possessions, or the District of Columbia (including employees of any corporation created under authority of an Act of Congress which is either wholly controlled or wholly owned by the United States Government, or any corporation, all the stock of which is owned or controlled by the United States Government, or any department, agency, or establishment thereof, whether or not the employees thereof are paid from funds appropriated by Congress), who, [have heretofore or who may hereafter be ordered to active duty with the military or naval forces of the United States] *subsequent to May 1, 1940, shall have entered upon active military or naval service in the land or naval forces of the United States by voluntary enlistment or otherwise* shall be entitled to receive, in addition to their military pay, compensation in their civilian positions covering their accumulated or current accrued leave or to elect to have such leave remain to their credit until their return from active military or naval service.

H. R. 6023

[Report No. 1550]



IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 13, 1941

Mr. WEST introduced the following bill; which was referred to the Committee on the Civil Service

DECEMBER 19, 1941

Reported with amendments, committed to the Committee of the Whole House on the state of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To provide for the payment for accumulative or accrued annual leave to certain employees of the United States, its Territories or possessions, or the District of Columbia, who voluntarily enlist in the military or naval forces of the United States.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Act entitled "An Act making provisions for pay-
4 ment of employees of the United States Government, its
5 Territories or possessions, or the District of Columbia, for
6 accumulated or accrued annual leave when ordered to active
7 duty with the military or naval forces of the United States",
8 approved August 1, 1941, is amended to read as follows:

1 "That employees of the United States Government, its
2 Territories or possessions, or the District of Columbia (in-
3 cluding employees of any corporation created under authority
4 of an Act of Congress which is either wholly controlled or
5 wholly owned by the United States Government, or any
6 corporation, all the stock of which is owned or controlled
7 by the United States Government, or any department,
8 agency, or establishment thereof, whether or not the em-
9 ployees thereof are paid from funds appropriated by Con-
10 gress), who, ~~have heretofore or who may hereafter be~~
11 ~~ordered to active duty with, or who voluntarily enlist for~~
12 ~~service with, or who have on or after the date of the enact-~~
13 ~~ment of the Selective Training and Service Act of 1940~~
14 ~~voluntarily enlisted for service with the military or naval~~
15 ~~forces of the United States subsequent to May 1, 1940, shall~~
16 ~~have entered upon active military or naval service in the land~~
17 ~~or naval forces of the United States by voluntary enlistment~~
18 ~~or otherwise, shall be entitled to receive, in addition to their~~
19 ~~military pay, compensation in their civilian positions cover-~~
20 ~~ing their accumulated or current accrued leave, or to elect to~~
21 ~~have such leave remain to their credit until their return from~~
22 ~~active military or naval service."~~

Amend the title so as to read: "A bill to provide for the payment for accumulative or accrued annual leave to certain

employees of the United States, its Territories or possessions, or the District of Columbia, who voluntarily enlist or otherwise enter the military or naval forces of the United States.”

77TH CONGRESS
1ST SESSION

H. R. 6023

[Report No. 1550]

A BILL

To provide for the payment for accumulative or accrued annual leave to certain employees of the United States, its Territories or possessions, or the District of Columbia, who voluntarily enlist or otherwise enter the military or naval forces of the United States.

By Mr. West

NOVEMBER 13, 1941

Referred to the Committee on the Civil Service

DECEMBER 19, 1941

Reported with amendments, committed to the Committee of the Whole House on the state of the Union, and ordered to be printed

Mr. Arnold with Mr. Schaefer of Illinois.
Mrs. O'Day with Mr. Wene.
Mr. Buck with Mr. Sabath.
Mr. Lyndon B. Johnson with Mr. Klein.
Mr. Byrne with Mr. Edmiston.

Mr. ANDERSON of New Mexico. Mr. Speaker, I desire to vote "no."

The SPEAKER. Was the gentleman in the House listening when his name was called?

Mr. ANDERSON of New Mexico. I was not.

The SPEAKER. The gentleman does not qualify.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

Mr. MAY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on this bill.

The SPEAKER. Is there objection?
There was no objection.

Mr. MAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 1936, to provide protection of persons and property from bombing attacks in the United States, and for other purposes, and that it be amended by striking out all after the enacting clause and inserting the provisions of the House bill (H. R. 5727).

The SPEAKER. The Clerk will report the title of the bill.

The Clerk reported the title of the Senate bill.

The SPEAKER. Is there objection?
There was no objection.

The SPEAKER. The question is on agreeing to the amendment to the Senate bill.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the Senate bill as amended.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

The SPEAKER. Without objection, the proceedings by which the House bill was passed will be vacated, and the House bill be laid on the table.

There was no objection.

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and insert a speech delivered by Hon. J. J. MANSFIELD before the Texas waterways conference and also a speech delivered by Mr. Roy Miller before the same conference, December 16, 1941.

The SPEAKER. Is there objection?
There was no objection.

[The matter first referred to appears in the Appendix.]

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to extend my remarks and include an article by Mr. Roswell McGill, former Under Secretary of the Treasury, on Federal taxation.

The SPEAKER. Is there objection?
There was no objection.

[The matter referred to appears in the Appendix.]

Mr. ENGEL. Mr. Speaker, I ask unanimous consent to extend my remarks and include a letter written by myself to the Under Secretary of War, Mr. Patterson.

The SPEAKER. Is there objection?
There was no objection.

[The matter referred to appears in the Appendix.]

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks to extend my remarks in the Record and include a short editorial.

The SPEAKER. Is there objection?
There was no objection.

[The matter referred to appears in the Appendix.]

Mr. HOOK. Mr. Speaker, I ask unanimous consent to extend my remarks with regard to bankers and war.

The SPEAKER. Is there objection?
There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

LEAVE TO ADDRESS THE HOUSE

Mr. CAPOZZOLI. Mr. Speaker, I ask unanimous consent that tomorrow, at the close of the legislative business, and other special orders, I be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection?
There was no objection.

EXTENSION OF REMARKS

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my remarks and include a letter from Mr. Hagie, the secretary of the National Reclamation Association.

The SPEAKER. Is there objection?
There was no objection.

[The matter referred to appears in the Appendix.]

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my remarks and include a speech by Mr. Russell Amory.

The SPEAKER. Is there objection?
There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

LEAVE TO ADDRESS THE HOUSE

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent that at the conclusion of all special orders today I be permitted to address the House for 5 minutes.

The SPEAKER. Is there objection?
There was no objection.

EXTENSION OF REMARKS

Mr. MARCANTONIO and Mr. PATRICK were granted permission to revise and extend their own remarks.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein an article from the New Republic.

The SPEAKER. Is there objection?
There was no objection.

[The matter referred to appears in the Appendix.]

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a letter to a constituent.

The SPEAKER. Is there objection?
There was no objection.

[The matter referred to appears in the Appendix.]

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to extend my remarks and include an editorial from the Morrison (Ill.) Daily Herald of January 5, 1942.

The SPEAKER. Is there objection?
There was no objection.

[The matter referred to appears in the Appendix.]

VISITORS TO UNITED STATES COAST GUARD ACADEMY

The SPEAKER. Pursuant to the provisions of Public Law 183, Seventy-seventh Congress, the Chair appoints as members of the Board of Visitors to the United States Coast Guard Academy the following Members of the House: Mr. WOODRUM of Virginia and Mr. TABER.

The SPEAKER laid before the House the following communication:

JANUARY 7, 1942.

HON. SAM RAYBURN,
Speaker, House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: Pursuant to the act of April 16, 1937, as amended (Public, No. 38, 75th Cong., 1st sess.) I have appointed the following members of the Committee on the Merchant Marine and Fisheries to serve as members of the Board of Visitors to the United States Coast Guard Academy for the calendar year 1942: Hon. FRANK W. BOYKIN, Hon. J. HARDIN PETERSON, Hon. JAMES C. OLIVER.

As chairman of the Committee on the Merchant Marine and Fisheries, I am authorized to serve as an ex-officio member of the Board.

Yours very sincerely,

S. O. BLAND,
Chairman.

PAY ACCUMULATED LEAVE TO EMPLOYEES IN ARMED FORCES

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 6023) to provide for the payment for accumulative or accrued annual leave to certain employees of the United States, its Territories or possessions, or the District of Columbia, who voluntarily enlist or otherwise enter the military or naval forces of the United States.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. McCORMACK. Mr. Speaker, reserving the right to object, I know what the bill is. It is a very deserving bill, but may I suggest that the distinguished gentleman from Georgia make a brief statement for the Record?

Mr. RAMSPECK. I will be glad to do that. In August last year the Congress passed legislation providing that employees of the Government who were drafted into the armed forces should have the right to either retain their accumulated leave or to receive pay for it. Inadvertently those who volunteered were not included in that privilege. This bill simply corrects that oversight and gives the same treatment to the volunteers that is received by the selectees.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mrs. ROGERS of Massachusetts. The bill was reported out unanimously by the committee?

Mr. RAMSPECK. That is correct.

Mrs. ROGERS of Massachusetts. The committee felt it was the least the committee could do, only a matter of common justice?

Mr. RAMSPECK. That is correct. The committee made a unanimous report.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act making provisions for payment of employees of the United States Government, its Territories or possessions, or the District of Columbia, for accumulated or accrued annual leave when ordered to active duty with the military or naval forces of the United States," approved August 1, 1941, is amended to read as follows:

"That employees of the United States Government, its Territories or possessions, or the District of Columbia (including employees of any corporation created under authority of an act of Congress which is either wholly controlled or wholly owned by the United States Government, or any corporation, all the stock of which is owned or controlled by the United States Government, or any department, agency, or establishment thereof, whether or not the employees thereof are paid from funds appropriated by Congress), who, have heretofore or who may hereafter be ordered to active duty with, or who voluntarily enlist for service with, or who have on or after the date of the enactment of the Selective Training and Service Act of 1940 voluntarily enlisted for service with the military or naval forces of the United States, shall be entitled to receive, in addition to their military pay, compensation in their civilian positions covering their accumulated or current accrued leave, or to elect to have such leave remain to their credit until their return from active military or naval service."

With the following committee amendment:

On page 2, line 10, strike out all after the word "who," down to and including the word "States" in line 15 and insert: "subsequent to May 1, 1940, shall have entered upon active military or naval service in the land or naval forces of the United States by voluntary enlistment or otherwise."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill to provide for the payment for accumulative or accrued annual leave to certain employees of the United States, its Territories or possessions, or the District of Columbia, who voluntarily enlist or otherwise enter the military or naval forces of the United States."

PERMISSION TO ADDRESS THE HOUSE

The SPEAKER. Under previous order of the House, the Delegate from Alaska is entitled to be recognized for 1 hour.

Mr. DIMOND. Mr. Speaker, in view of the lateness of the hour, I ask unani-

mous consent to yield back the time granted me to speak today and instead I ask unanimous consent that on Monday next, after the conclusion of the legislative business and any other special orders, I may be permitted to address the House for 1 hour.

The SPEAKER. Is there objection?

There was no objection.

ARMY CANTONMENT IN BARTHOLOMEW COUNTY, IND.

The SPEAKER. Under previous order of the House, the gentleman from Indiana [Mr. WILSON] is recognized for 5 minutes.

Mr. WILSON. Mr. Speaker, I have been informed by the War Department of the final decision to locate an Army cantonment in Bartholomew County, near Columbus, Ind. Columbus and Bartholomew County make up one of the finest, most stable communities I have ever known. The county has some of the finest soil in the State of Indiana. The farmers are typical of those of pioneer days, willing to toil long and hard, as has always been the farmer's lot, in order to "pull his own weight." In other words, they still believe it is their lot in life to earn their living by the sweat of their brow. There, community life is on a very high social and cultural plane. I fully realize, as I am sure they do, that their sacrifices are going to be great, but, Mr. Speaker, I assure you now that the good citizens of Bartholomew County, despite the inconveniences and heartaches that are sure to come, will be brave in every sense and do their part.

As for the city of Columbus, I can say that I have thought of it as an ideal city, stable as can be, and also made up of a homogeneous group of people, unsurpassed in their social and cultural life by any city I have ever visited. I am acquainted with both their county and city governments and I can assure America that nowhere can you find a more cooperative group of people.

For several months the people of the city of Columbus and Bartholomew County have felt that this camp or cantonment was sure to be located in and near their boundaries. They have wondered what effect it might have on their lives and their businesses. They have known that such a project would tax their facilities, but they have not complained—they have not protested. Long before the international situation became so critical, while we were still an ununited people, and minority groups refused to make any sacrifices, the people of Bartholomew County were saying that "if it is in the interest of national defense, if it is the part we are to play, let it come; we are ready to make the best of it."

Permit me, Mr. Speaker, to quote from an extra edition of the Columbus Evening Republican, which did not hesitate to break a 25-year precedent to give the citizens of that area the news that the cantonment was to be located there. The paper said, quoting an editorial of months ago:

This is not the sort of thing that a chamber of commerce would go out to land for a city or county; but if the camp is located

here, there will be only one thing to do—to recognize our obligations to the young men in training and make things as pleasant for them as we can. We would have the same obligations to these lads as we hope other communities are acknowledging to our own who have been sent to other camps.

I could not close this observation without saying that I am claiming no credit for the location of this camp. In these trying times we must have confidence in the ability of our Army and Navy staff to locate defense activities in most strategic places.

All my life I have carried the slogan: "By hard work we will win." I think that slogan still holds good. In addition, and since taking my seat in Congress, I have adopted this slogan: "It matters not what happens to me, it's my country." Such is true of the people of Bartholomew County and of the city of Columbus. They place their country's welfare ahead of any personal ambition.

(Mr. WILSON asked and was given permission to revise and extend his remarks in the Record.)

The SPEAKER. Under the previous order of the House, the gentleman from Michigan [Mr. BRADLEY] is recognized for 5 minutes.

THE SOO LOCKS

Mr. BRADLEY of Michigan. Mr. Speaker, the hour is late and I shall not take much of the time of the House.

On yesterday I called attention to the remarkable record that was made by that great fleet of ore carriers on the Great Lakes which during this past season carried approximately 89,000,000 tons of iron ore from the upper lake ports to the great steel furnaces in the Middle West. That was a 25-percent increase over its previous record season of 1940. During that same navigation season of 1941, 110,000,000 tons of bulk freight passed through the locks at Sault Ste. Marie, Mich. This is a greater tonnage than has ever gone through the Panama Canal, the Suez Canal, and the Welland Canal combined in any 12-month period in any year.

The President in his message the other day called upon the Nation to increase its production efforts, particularly its all-important steel production. Mr. Speaker, this steel production increase cannot be achieved until this Congress sees fit to pass an authorization measure and appropriate approximately \$8,000,000 to provide for an additional lock at the Soo, because the present locks have now reached their maximum operating capacity. Such an authorization measure has been pending before the Rivers and Harbors Committee of the House for many months. The military authorities at the Soo have long been ready to start construction work immediately after this Congress authorizes them to do so. The committee has approved of that authorization measure but they have not yet reported it to the floor of this House because of the fact they have buried it in the billion dollar so-called pork-barrel rivers-and-harbors omnibus bill. Both the gentleman from Michigan [Mr. DONDERO] and I have repeatedly urged the committee to report out separately



20

77TH CONGRESS
2D SESSION

H. R. 6023

IN THE SENATE OF THE UNITED STATES

JANUARY 9 (legislative day, JANUARY 6), 1942

Read twice and referred to the Committee on Civil Service

AN ACT

To provide for the payment for accumulative or accrued annual leave to certain employees of the United States, its Territories or possessions, or the District of Columbia, who voluntarily enlist or otherwise enter the military or naval forces of the United States.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Act entitled "An Act making provisions for pay-
4 ment of employees of the United States Government, its
5 Territories or possessions, or the District of Columbia, for
6 accumulated or accrued annual leave when ordered to active
7 duty with the military or naval forces of the United States",
8 approved August 1, 1941, is amended to read as follows:

1 "That employees of the United States Government, its
2 Territories or possessions, or the District of Columbia (in-
3 cluding employees of any corporation created under authority
4 of an Act of Congress which is either wholly controlled or
5 wholly owned by the United States Government, or any
6 corporation, all the stock of which is owned or controlled
7 by the United States Government, or any department,
8 agency, or establishment thereof, whether or not the em-
9 ployees thereof are paid from funds appropriated by Con-
10 gress), who, subsequent to May 1, 1940, shall have entered
11 upon active military or naval service in the land or naval
12 forces of the United States by voluntary enlistment or other-
13 wise, shall be entitled to receive, in addition to their military
14 pay, compensation in their civilian positions covering their
15 accumulated or current accrued leave, or to elect to have
16 such leave remain to their credit until their return from active
17 military or naval service."

Passed the House of Representatives January 8, 1942.

Attest:

SOUTH TRIMBLE,

Clerk.

AN ACT

To provide for the payment for accumulative or accrued annual leave to certain employees of the United States, its Territories or possessions, or the District of Columbia, who voluntarily enlist or otherwise enter the military or naval forces of the United States.

JANUARY 9 (legislative day, JANUARY 6), 1942

Read twice and referred to the Committee on
Civil Service



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 77th CONGRESS, SECOND SESSION

Vol. 88

WASHINGTON, FRIDAY, JANUARY 9, 1942

No. 5

Senate

(Legislative day of Tuesday, January 6, 1942)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Very Reverend Z^eBarney T. Phillips, D. D., Chaplain of the Senate, offered the following prayer:

Creator Spirit, who didst brood upon the face of the waters till God's word was uttered, and, lo, the foundations of the world were bathed in light supernal: Come breathe Thy breath upon us and set us free from sin and all uncleanness, making us temples worthier Thee.

Incline our inmost souls to Thee, that, like growing flowers leaning to the light, they may one day blossom into perfect prayer within the sacred precincts of Thy patience. And if Thou callest us to surrender our life's passion and its splendour, the flower of soul and sense, for one dark night of pain, may we yield Thee quick obedience, knowing full well that sorrow endureth for a night, but joy cometh in the morning.

So come and abide in Thy gentleness, O Blessed Spirit, whom with the Father and the Son, together, we worship and glorify as one God, world without end. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, January 8, 1942, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its clerks, announced that the House had passed the bill (S. 1936) to provide protection of persons and property from bombing attacks in the United States, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H. R. 6023) to provide for the payment for accumulative or accrued annual leave to certain employees of the United States, its Territories or possessions, or the District of Columbia who voluntarily enlist or otherwise enter the military or naval forces of the United States, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Gerry	Nye
Austin	Gillette	O'Daniel
Bailey	Glass	O'Mahoney
Ball	Green	Overton
Bankhead	Guffey	Radcliffe
Barkley	Gurney	Reed
Bilbo	Hayden	Reynolds
Bone	Herring	Rosier
Brewster	Hill	Russell
Brooks	Holman	Schwartz
Brown	Hughes	Shipstead
Bulow	Johnson, Colo.	Spencer
Bunker	Kilgore	Taft
Burton	La Follette	Thomas, Idaho
Butler	Langer	Thomas, Okla.
Byrd	Lee	Thomas, Utah
Capper	Lodge	Tobey
Caraway	Lucas	Truman
Chandler	McCarran	Tunnell
Chavez	McFarland	Tydings
Clark, Idaho	McKellar	Wallgren
Clark, Mo.	McNary	Vandenberg
Connally	Maloney	Van Nuys
Danaher	Maybank	Wagner
Davis	Mead	Walsh
Downey	Millikin	Wheeler
Doxey	Murdock	White
Ellender	Murray	Wiley
George	Norris	Willis

Mr. HILL. I announce that the Senator from New Mexico [Mr. HATCH] is absent from the Senate because of illness.

The Senators from Florida [Mr. ANDREWS and Mr. PEPPER], the Senator from New Jersey [Mr. SMATHERS], the Senator from South Carolina [Mr. SMITH], and the Senator from Tennessee [Mr. STEWART] are necessarily absent.

Mr. AUSTIN. The Senator from New Hampshire [Mr. BRIDGES] is confined to a hospital due to a recent hip injury.

The Senator from New Jersey [Mr. BARBOUR] is necessarily absent.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

BOARD OF VISITORS TO THE NAVAL ACADEMY

The VICE PRESIDENT. In accordance with the provisions of the act of August 29, 1916, the Chair designates the Senator from Iowa [Mr. HERRING], the Senator from Delaware [Mr. HUGHES],

the Senator from New Jersey [Mr. SMATHERS], and the Senator from Maine [Mr. BREWSTER] as the appointive members on the part of the Senate of the Board of Visitors to visit the Naval Academy at Annapolis, Md.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON SUSPENSION OF DEPORTATION OF ALIENS

A letter from the Attorney General, submitting, pursuant to law, a report stating the facts and pertinent provisions of law in the cases of 705 aliens whose deportation he has suspended for more than 6 months under authority of law, together with a statement of the reasons for such suspension (with accompanying papers); to the Committee on Immigration.

BOARDS OF LOCAL INSPECTORS, DEPARTMENT OF COMMERCE

A letter from the Acting Secretary of Commerce, reporting, pursuant to law, that by Order No. 105, dated April 18, 1941, published in the Federal Register of April 19, 1941, the Secretary of Commerce abolished as of the close of business May 31, 1941, the board of local inspectors at Evansville, Ind., and established a new board at Cairo, Ill., effective June 1, 1941; to the Committee on Commerce.

REPORT OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, submitting, pursuant to law, his report of the work of the General Accounting Office for the fiscal year ended June 30, 1941 (with an accompanying report); to the Committee on Appropriations.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate or presented and referred as indicated:

By the VICE PRESIDENT:

A resolution of the Board of Supervisors of Macomb County, Mich., pledging all the resources of the county to the successful prosecution of the war; to the Committee on Military Affairs.

By Mr. TYDINGS:

Petitions of sundry citizens of the State of Maryland, praying for the enactment of bill (S. 860) to provide for the common defense in relation to the sale of alcoholic liquors to the members of the land and naval forces of the United States and to provide for the suppression of vice in the vicinity of military

camps and naval establishments; ordered to lie on the table.

A telegram in the nature of a petition from Carol Dryden & Co., the Marshall Crab Co., and other sea-food companies of Crisfield, Md., praying that the so-called Bland amendment to House bill 5990, the price-control bill, be retained; ordered to lie on the table.

A memorial of Carol Dryden & Co., the Marshall Crab Co., and other members of the sea-food association, all of Crisfield, Md., remonstrating against the removal of the Fish and Wildlife Service from Washington, D. C., to Chicago, Ill.; to the Committee on Commerce.

SALE OF ALCOHOLIC BEVERAGES AND PREVENTION OF VICE IN THE VICINITY OF MILITARY CAMPS

Mr. REYNOLDS. Mr. President, at this time, I respectfully wish to read into the RECORD two letters which I have received, addressed to me as chairman of the Military Affairs Committee of the Senate, requesting that certain resolutions be brought to the attention of the Senate by way of the embodiment of the letters in the RECORD. The first is on the letterhead of the Braddock Street Methodist Church, the friendly church, Winchester, Va., under date of December 26, 1941. I read:

BRADDOCK STREET METHODIST CHURCH,
Winchester, Va., December 26, 1941.
Hon. ROBERT R. REYNOLDS, Chairman,
Senate Military Affairs Committee,
Washington, D. C.

DEAR SENATOR REYNOLDS: At a union meeting of the various denominations at Winchester, Va., held in the Braddock Street Methodist Church, the following resolution was adopted:

"Resolved, That the congregation at a union meeting held at Braddock Street Methodist Church, Winchester, Va., requested the pastors of the church bodies represented there, to write to you, stating that the congregation unanimously voted to urge Congress to pass Senate bill 860 or adequate protective legislation of the men in the United States uniform, from the liquor and vice traffics. As chairman of the Military Affairs Committee of the Senate, you are requested to present this resolution on the floor of the Senate, and ask that it be incorporated in the CONGRESSIONAL RECORD."

Sincerely yours,

T. M. SWANN,
Pastor, Braddock Street Methodist Church.

The second letter, in reference to Senate bill 860, is on the letterhead of the Clarendon Methodist Church, Arlington, Va., under date of December 30, 1941, and reads:

CLARENDON METHODIST CHURCH,
Arlington, Va., December 30, 1941.
Senator ROBERT R. REYNOLDS,
Chairman, Senate Military Affairs Committee,

The Senate Building,
Washington, D. C.

MY DEAR SENATOR REYNOLDS: The congregation of the Clarendon Methodist Church, Arlington, Va., on December 28, 1941, voted to request the pastor to write you, as chairman of the Senate Military Affairs Committee, requesting the Congress to adopt protective legislation for the armed forces of our country against the liquor and vice traffics similar to that adopted in 1917.

The congregation also requests that this action be read on the floor of the Senate and made part of the CONGRESSIONAL RECORD.

Very truly yours,

GEO. G. OLIVER.

Mr. President, I am very happy to have had the opportunity of complying with

the request of these ministers of the gospel to the extent of reading their respective communications on the floor of the Senate, in order that they may be automatically embodied in the RECORD. As the bill referred to in the letters has been reported from the committee and is now on the calendar, I ask that the letters lie on the table.

The VICE PRESIDENT. The letters presented by the Senator from North Carolina will lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WHEELER, from the Committee on Interstate Commerce:

H. R. 5249. A bill to amend section 7 of the Natural Gas Act; without amendment (Rept. No. 948).

By Mr. RADCLIFFE, from the Committee on Commerce:

H. R. 5837. A bill to regulate the distribution and promotion of commissioned officers of the Coast and Geodetic Survey, and for other purposes; with an amendment (Rept. No. 949).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McFARLAND:

S. 2186. A bill for the relief of Viola Dale; and

S. 2187. A bill for the relief of Tom G. Irving, Tomas G. Irving, Sr., J. E. Irving, Mata D. Irving, L. T. Dale, and Amelia Dale; to the Committee on Claims.

HOUSE BILL REFERRED

The bill (H. R. 6023) to provide for the payment for accumulative or accrued annual leave to certain employees of the United States, its Territories or possessions, or the District of Columbia, who voluntarily enlist or otherwise enter the military or naval forces of the United States, was read twice by its title and referred to the Committee on Civil Service.

AMENDMENT TO PRICE-CONTROL BILL

Mr. McCARRAN submitted an amendment intended to be proposed by him to the bill (H. R. 5390) to further the national defense and security by checking speculative and excessive price rises, price dislocations, and inflationary tendencies, and for other purposes, which was ordered to lie on the table and to be printed.

FIXED-FEE CONTRACTS

Mr. TRUMAN. Mr. President, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, a letter from Mr. Palmer, the Coordinator of Housing Projects, a statement from Rear Admiral Moreell, and my reply; and I should like to have them printed in that order.

The VICE PRESIDENT. Without objection, it is so ordered.

The letters and statement are as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE FOR EMERGENCY MANAGEMENT,
Washington, D. C., January 6, 1942.

Hon. HARRY S. TRUMAN,
United States Senate.

MY DEAR SENATOR TRUMAN: With reference to the amendment to H. R. 6128, offered by you on the floor of the Senate, which forbids

fixed-fee contracts under the Lanham Act, you may be interested in the attached statement of Rear Admiral Moreell, Chief of the Bureau of Yards and Docks, relative to the Navy Department's experience with fixed-fee contracts. As soon as he noticed that the Senate had adopted this amendment, Admiral Moreell wrote me protesting against it and stating his positive opinion that it will "slow up the housing program very appreciably."

Since, in your testimony before the Senate subcommittee, you cited with approval the Navy's efficient and economical construction of housing, I believe you will be particularly interested in what Admiral Moreell has to say.

Very sincerely yours,

C. F. PALMER, Coordinator.

[Enclosure.]

STATEMENT OF REAR ADMIRAL MOREELL RELATIVE TO NAVY DEPARTMENT'S EXPERIENCE WITH FEE CONTRACTS

Negotiated fee contracts were first used in recent years by the Navy in the summer of 1939, in accordance with Congressional authority granted by the act of April 4, 1939. We have, therefore, been using these contracts for 2½ years.

As I look back on our experiences and the results accomplished, I am led to the conclusion that the use of this type of contract for purposes of speeding up and in order to reduce costs of construction at stations where conditions are unknown and changing has proven to be a great advantage.

It should be borne in mind that the Navy Department was able, by virtue of the fee contract, to enter the material and labor markets and to accomplish a great deal of work before the war program was thrown on the market. This not only resulted in clearing the way for other vitally necessary war work, but also enabled the Navy to effect large savings because we were in the market and out again before the price rises hit us. To have accomplished all of this work by competitive bidding would have required that the large War Department cantonment program would be superimposed on our program, and then other construction projects for war purpose would be further superimposed on an already tremendous load.

It is easy to picture the chaotic conditions which would have resulted if the whole program had been thus delayed in order to obtain competitive bidding. Our plants manufacturing war goods would now be completely submerged.

WASHINGTON, D. C., January 8, 1942.

Hon. C. F. PALMER,
Coordinator, Division of Defense Housing Coordination, Office for Emergency Management, Washington, D. C.

DEAR MR. PALMER: Appreciated very much your note of the 6th in regard to my amendment to H. R. 6128.

My principal interest in this amendment is due to my experience with public contracts and to the facts as shown in the investigation of the housing set-up. I just for the life of me can't see why it is necessary to have a fixed-fee program in this set-up when there are thousands of contractors idle, due to the stoppage of Federal Housing Authority and other construction. I can give you 2 dozen in Kansas City who are crying for a chance to build houses, and that is true in every big city in the country.

A fixed-fee contract is simply anathema to me, and I don't care what Admiral Moreell or anybody else says about it. The experience of the Government has been disastrous with the fixed-fee contract or any other contract where the profit to the contractor is guaranteed without his having to look after the loose ends.

Sincerely yours,

HARRY S. TRUMAN.

1/4



PAYMENT FOR ACCUMULATED OR ACCRUED LEAVE OF GOVERNMENT EMPLOYEES ENTERING MILITARY OR NAVAL FORCES

MARCH 5, 1942.—Ordered to be printed

Mr. BULOW, from the Committee on Civil Service, submitted the
following

REPORT

[To accompany H. R. 6023]

The Committee on Civil Service, to whom was referred the bill (H. R. 6023) to provide for the payment for accumulated or accrued annual leave to certain employees of the United States, its Territories or possessions, or the District of Columbia, who voluntarily enlist in the military or naval forces of the United States, having considered the same, report favorably thereon and recommend that the bill do pass.

STATEMENT

Congress, earlier in this session, enacted a law (Public, 202, 77th Cong.) which provides that employees ordered to active military or naval service be paid for any accumulated or accrued leave they had to their credit at the time, or could elect to have the leave remain to their credit until they returned from such service.

This law has been held not to apply to employees who voluntarily enlist in the military or naval services, and further that such employees who volunteer will forfeit any accrued leave to their credit. Thus it will readily be seen that a benefit is extended to those who enter through selective service or from the various reserve organizations, but it is not extended to those who volunteer.

The purpose of this bill is to give the same benefit and treatment to all alike, regardless of how they enter the military or naval services.

There is printed below a letter from the Civil Service Commission, which thoroughly explains the bill.

2 LEAVE PAY TO GOVERNMENT EMPLOYEES ENTERING ARMED FORCES

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., December 11, 1941

HON. ROBERT RAMSPECK,
Chairman, Committee on the Civil Service,
House of Representatives.

DEAR MR. RAMSPECK: Further reference is made to your letter of November 14, 1941, requesting a report of the Commission's views regarding H. R. 6023, a bill to provide for the payment for accumulative or accrued annual leave to certain employees of the United States, its Territories or possessions, or the District of Columbia who voluntarily enlist in the military or naval forces of the United States.

H. R. 6023 is an amendment of the act of August 1, 1941 (Public Law 202, 77th Cong.), which reads as follows:

" * * * employees of the United States Government, its Territories or possessions, or the District of Columbia (including employees of any corporation created under authority of an act of Congress which is either wholly controlled or wholly owned by the United States Government, or any corporation, all of the stock of which is owned or controlled by the United States Government, or any department, agency, or establishment thereof, whether or not the employees thereof are paid from funds appropriated by Congress), who have heretofore or who may hereafter be ordered to active duty with the military or naval forces of the United States shall be entitled to receive, in addition to their military pay, compensation in their civilian positions covering their accumulated or current accrued leave, or to elect to have such leave remain to their credit until their return from active military or naval service."

Because of the words "ordered to active duty," the foregoing statute has been held to apply only to civilian employees of the Government who are inducted into the military or naval service without their consent, such as those inducted under the Selective Training and Service Act (including those who volunteer for induction) and those inducted under the act of August 27, 1940. It does not apply to civilian employees of the Government who voluntarily enlist in the regular armed forces of the United States (Dec. Comp. Gen. September 13, 1941, B-20149). Employees who voluntarily enlisted in the regular armed forces, moreover, were formerly required to forfeit any accrued leave which may have been due them at time of entrance in military service, since their status as soldiers was held to be incompatible with their status as civilian employees (20 Comp. Gen. 257, November 13, 1940).

Subsequent to the act of August 1, 1941 (Public Law 202, 77th Cong.), however, namely, on August 18, 1941, there was enacted the Service Extension Act of 1941 (Public Law 213, 77th Cong.), section 7 of which provides in part as follows:

"Any person who, subsequent to May 1, 1940, and prior to the termination of the authority conferred by section 2 of this joint resolution, shall have entered upon active military or naval service in the land or naval forces of the United States shall be entitled to all the reemployment benefits of section 8 of the Selective Training and Service Act of 1940 to the same extent as in the case of persons inducted under said Act: *Provided*, That the provisions of section 8 (b) (A) of said Act shall be applicable to any such person without regard to whether the position which he held shall have been covered into the classified civil service during the period of his military or naval service."

Under this statute, persons who voluntarily enlist for service in the regular armed forces of the United States are, upon discharge therefrom, entitled to "all the reemployment benefits of section 8 of the Selective Training and Service Act of 1940 * * *." Section 8 of the Selective Training and Service Act of 1940 provides with respect to any person inducted into the land and naval forces of the United States as follows:

"(b) In the case of any such person who, in order to perform such training and service, has left or leaves a position, other than a temporary position, in the employ of any employer and who (1) receives such certificate, (2) is still qualified to perform the duties of such position, and (3) makes application for reemployment within forty days after he is relieved from such training and service—

"(A) if such position was in the employ of the United States Government, its Territories or possessions, or the District of Columbia, such person shall be restored to such position or to a position of like seniority, status, and pay;

* * * * *

"(c) Any person who is restored to a position in accordance with the provisions of paragraph (A) or (B) of subsection (b) shall be considered as having been on furlough or leave of absence during his period of training and service in the land or naval forces, shall be so restored without loss of seniority, shall be entitled to participate in insurance or other benefits offered by the employer pursuant to established rules and practices relating to employees on furlough or leave of absence in effect with the employer at the time such person was inducted into such forces, and shall not be discharged from such position without cause within one year after such restoration."

Employees of the Government who since May 1, 1940, have by voluntary enlistment entered the regular armed forces of the United States are, therefore, by joint application of the statutory provisions quoted above, entitled to mandatory reinstatement in their former positions, and, upon such reinstatement, are considered "as having been on furlough or leave of absence * * *" and are therefore "entitled to participate in insurance or other benefits offered by the employer pursuant to established rules and practices relating to employees on furlough or leave of absence * * *." One of the established rules and practices relating to employees on furlough or leave without pay is section 9 (b) of the Annual Leave Regulations (Executive Order No. 8384 of March 29, 1940), as follows:

"An employee who is ordered to active military, naval, or Coast Guard duty may, prior to the exhaustion of his accumulated and current accrued leave, be granted leave or furlough without pay during all or any portion of the period necessary to perform such duty."

Employees who since May 1, 1940, voluntarily enlisted in the armed forces of the United States, therefore, are, upon honorable discharge, required to be reinstated to their civilian positions and recredited with such annual leave as may have been due them. There is still no authority, however, to pay such employees for accumulated or accrued annual leave at the time of their induction into the military service.

H. R. 6023 would amend existing law on this subject by providing for such compensation in the case of persons who were inducted by voluntary enlistment or otherwise in the armed forces. In other words, the bill would extend to persons who voluntarily enlist in the armed forces the benefits of Public Law 202, which are now available only to persons who are ordered to active duty with the military or naval forces. At the same time, however, H. R. 6023 would limit the benefits of Public Law 202 with respect to both those who are ordered to active duty and those who voluntarily enlist to persons who entered the armed forces since September 16, 1940 (the date of the Selective Training and Service Act of 1940), whereas Public Law 202 is now applicable to any person who "has heretofore or may hereafter be ordered to active duty." In order that the benefits of compensation for accrued leave may be coextensive with the benefits of mandatory reinstatement under section 7 of the Service Extension Act of 1941, the Commission recommends that H. R. 6023 be so amended as to be applicable to any person who was inducted into the military or naval forces of the United States by voluntary enlistment or otherwise since May 1, 1940. Unless this is done, there would be an inequity of treatment in the case of persons who voluntarily enlisted between May 1 and September 16, 1940, and those who voluntarily enlisted after the latter date. Those who enlisted after September 16, 1940, would, under the present language of H. R. 6023, be entitled to compensation for accrued annual leave, whereas those who enlisted between May 1 and September 16, 1940, would be entitled to mandatory reinstatement, and upon reinstatement be entitled only to be recredited with such leave as may have been due them (Dec. Comp. Gen. November 3, 1941, B-20822). The Commission accordingly has the honor to recommend that H. R. 6023 be amended to read as follows:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled 'An Act making provisions for payment of employees of the United States Government, its Territories or possessions, or the District of Columbia, for accumulated or accrued annual leave when ordered to active duty with the military or naval forces of the United States,' approved August 1, 1941, is amended to read as follows:

"That employees of the United States Government, its Territories or possessions, or the District of Columbia (including employees of any corporation created under authority of an Act of Congress which is either wholly controlled or wholly owned by the United States Government, or any corporation, all the stock of which is owned or controlled by the United States Government, or any

4 LEAVE PAY TO GOVERNMENT EMPLOYEES ENTERING ARMED FORCES

department, agency, or establishment thereof, whether or not the employees thereof are paid from funds appropriated by Congress), who, subsequent to May 1, 1940, shall have entered upon active military or naval service in the land or naval forces of the United States by voluntary enlistment or otherwise shall be entitled to receive, in addition to their military pay, compensation in their civilian positions covering their accumulated or current accrued leave, or to elect to have such leave remain to their credit until their return from active military or naval service.'"

The Bureau of the Budget has advised this office that there is no objection to the submission of this report.

Very sincerely yours,

HARRY B. MITCHELL, *President.*

○

Peck, For
Tamm, Sol. 576
Rommel
XX

77TH CONGRESS
2D SESSION

Calendar No. 1190

H. R. 6023

[Report No. 1153]

IN THE SENATE OF THE UNITED STATES

JANUARY 9 (legislative day, JANUARY 6), 1942

Read twice and referred to the Committee on Civil Service

MARCH 5, 1942

Reported by Mr. BULOW, without amendment

AN ACT

To provide for the payment for accumulative or accrued annual leave to certain employees of the United States, its Territories or possessions, or the District of Columbia, who voluntarily enlist or otherwise enter the military or naval forces of the United States.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Act entitled "An Act making provisions for pay-
4 ment of employees of the United States Government, its
5 Territories or possessions, or the District of Columbia, for
6 accumulated or accrued annual leave when ordered to active
7 duty with the military or naval forces of the United States",
8 approved August 1, 1941, is amended to read as follows:

1 "That employees of the United States Government, its
2 Territories or possessions, or the District of Columbia (in-
3 cluding employees of any corporation created under authority
4 of an Act of Congress which is either wholly controlled or
5 wholly owned by the United States Government, or any
6 corporation, all the stock of which is owned or controlled
7 by the United States Government, or any department,
8 agency, or establishment thereof, whether or not the em-
9 ployees thereof are paid from funds appropriated by Con-
10 gress), who, subsequently to May 1, 1940, shall have entered
11 upon active military or naval service in the land or naval
12 forces of the United States by voluntary enlistment or other-
13 wise, shall be entitled to receive, in addition to their military
14 pay, compensation in their civilian positions covering their
15 accumulated or current accrued leave, or to elect to have
16 such leave remain to their credit until their return from active
17 military or naval service."

Passed the House of Representatives January 8, 1942.

Attest:

SOUTH TRIMBLE,

Clerk.

77TH CONGRESS
2D Session

H. R. 6023

[Report No. 1153]

AN ACT

To provide for the payment for accumulative or accrued annual leave to certain employees of the United States, its Territories or possessions, or the District of Columbia, who voluntarily enlist or otherwise enter the military or naval forces of the United States.

JANUARY 9 (legislative day, JANUARY 6), 1942

Read twice and referred to the Committee on
Civil Service

MARCH 5, 1942

Reported without amendment

A joint resolution of the General Assembly of the State of Rhode Island; to the Committee on Commerce:

"H-744

"Joint resolution requesting the Senators and Representatives from Rhode Island in the Congress of the United States to take all necessary steps to obtain for the State of Rhode Island all riparian rights to the outlet from Stafford Pond in the town of Tiverton, county of Newport

"Whereas the water supply from Stafford Pond in the town of Tiverton is useful for domestic purposes; and

"Whereas the city of Fall River now owns all the riparian rights to the outlet from said pond; and

"Whereas the Federal Government has now agreed to pay 60 percent of the costs of pumping water from distant ponds into Fall River Reservoir and the amount of water so delivered would be greatly in excess of the amount now received by said city from said Stafford Pond; and

"Whereas the residents of Rhode Island are required to pay into the Federal Treasury their proportionate share of \$246,000 for the domestic use of Stafford Pond water supply: Now, therefore, be it

"Resolved, That the Senators and Representatives from Rhode Island in the Congress of the United States be, and they are hereby, respectfully requested to make every effort and to take all necessary steps to obtain all riparian rights to the outlet from said Stafford Pond, declaring said pond to be entirely available as a source of domestic water supply for the county of Newport, and obtaining from the city of Fall River an abrogation of all riparian rights to the outlet from said pond; and be it further

"Resolved, That copies of this resolution be forwarded by the secretary of state to the Senators and Representatives from Rhode Island in the Congress of the United States."

CONDUCT OF GOVERNMENT AFFAIRS— VIEWS OF NEW JERSEY TAXPAYERS' ASSOCIATION

Mr. BARBOUR. Mr. President, I present and ask to have appropriately referred and inserted in the CONGRESSIONAL RECORD at this point a short but compelling patriotic message to the Members of Congress from the New Jersey Taxpayers' Association, dated yesterday, March 4. The New Jersey Taxpayers' Association is made up of patriotic and representative citizens of my State who have made a very favorable and strong impression on New Jersey, and whose influence has always been nonpartisan and constructive.

I hold this association in very high regard myself, and I am sure that their patriotic message will be of interest to all Senators.

There being no objection, the communication was referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

MARCH 4, 1942.

To the Members of Congress:

In the newspapers of the land, in the thousands of telegrams, letters, and postcards that daily fill congressional mail bags, you see the convening of citizens in the court of public opinion in every American city, town, and village.

As friend of this huge and vocal court of public opinion, the New Jersey Taxpayers' Association addresses this patriotic message to you—the Members of Congress. This message is not intended as a personal criticism. Its purpose is to direct your attention to the dis-

turbing evidences before the court of public opinion of spendthrift, careless, inefficient, and bureaucratic government at this most crucial period of our country's history. We urge that you act promptly to remove these causes of dissatisfaction and suspicion.

The folks back home want to know what every Member of Congress—and through him each administrator of the Federal Government—has sighted the objective of ultimate victory and is steering a strait and true course toward that objective. This course must avoid the shoals of waste and extravagance in governmental operation which bar the way toward victory. Every Member of Congress, every governmental official has a clearly defined job—the job of guarding every dollar in taxes, bonds, and other contributions of citizens, so that not a single penny is lost from the single-purposed, all-important objective—winning the war.

The American people are not only willing, they are anxious and insistent that they be permitted to make extreme personal sacrifice to protect their Nation. They ask only that these sacrifices be utilized in full measure by their Government.

American citizens are out to win this war by throwing into it everything they have. America's leadership—the membership of Congress—can lose the war by failing to grasp the whole of these resources and turn them against our common enemies.

Our national leadership was on the right track when—

(1) the court of public opinion ruled against one example of extravagance in public spending and Congress repealed the law giving pensions to elected Federal officials;

(2) the court of public opinion handed down a verdict against the lagging war production, and an all-powerful chief of war production was named to revamp and speed production of vitally needed equipment;

(3) the court of public opinion disfavored inclusion of "frills" in the program of civilian defense and a shake-up of the civilian defense administration followed, with more to come.

Now the court of public opinion calls for completion of the job of eliminating all useless nondefense expenditures in government and strictly conserving the Nation's tax-paying resources so that every dollar in government will be applied to the task of helping America lash back at the Axis with more and more planes, tanks, guns, and manpower.

A primary and all-important step in the direction of eliminating waste in government would be establishment of a supreme authority—a director of priorities—over governmental spending which will search out and abolish spending of every kind that has no place in this time of emergency. Such a public spending priorities program could be accomplished through a congressional committee or through appointment of an individual of outstanding ability in the public-economy field. The Nation must have this watchdog over public expenditures so that waste and extravagance for nonessentials will not sabotage the war program.

Failure to meet the people's demand for such conservation would amplify the present rumblings of discontent into a thunderous roar of demand. It would bring an adverse decision from the court of public opinion which would hurt, and could be expected to hit Congress with impelling force.

In this time of bloodshed, suffering, and sacrifice Members of Congress must act quickly to lead and conduct the affairs of government so capably that the court of public opinion will hand down a verdict—not of criticism and suspicion, but of "well done."

Respectfully,

WALTER T. MARGETTS, JR.,
President, New Jersey
Taxpayers' Association.

REPORT OF THE COMMITTEE ON APPROPRIATIONS DURING ADJOURNMENT

Under authority of the order of the 2d instant,

Mr. GLASS, on March 4, 1942, from the Committee on Appropriations, to which was referred the bill (H. R. 6511) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1943, and for other purposes, reported it with amendments and submitted a report (No. 1152) thereon.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BULOW, from the Committee on Civil Service:

H. R. 6023. A bill to provide for the payment for accumulative or accrued annual leave to certain employees of the United States, its Territories or possessions, or the District of Columbia who voluntarily enlist or otherwise enter the military or naval forces of the United States; without amendment (Rept. No. 1153).

By Mr. GEORGE, from the Committee on Finance:

H. R. 6273. A bill to amend the provisions of the Internal Revenue Code by setting new maximum limits on allowances for losses of distilled spirits by leakage or evaporation while in internal-revenue bonded warehouses, and for other purposes; without amendment (Rept. No. 1156); and

H. R. 6543. A bill to amend certain provisions of the Internal Revenue Code relating to the production of alcohol; without amendment (Rept. No. 1155).

SENATOR FROM NORTH DAKOTA—MINORITY VIEWS (PT. 2 OF REPT. NO. 1010)

Mr. MURDOCK. Mr. President, in behalf of the Senator from Texas [Mr. CONNALLY], the Senator from South Carolina [Mr. SMITH] and myself, I submit to the Senate the minority views of the three Senators mentioned, members of the Committee on Privileges and Elections, in the matter of the proceeding involving certain charges relative to the qualification and fitness of the Senator from North Dakota [Mr. LANGER] for a seat in the Senate. I ask that the minority views be printed.

The VICE PRESIDENT. Without objection, the minority views will be printed.

REPORTS OF DISPOSITION OF EXECUTIVE PAPERS

Mr. BARKLEY, from the Joint Select Committee on the Disposition of Executive Papers, to which were referred, for examination and recommendation, four lists of records transmitted to the Senate by the Archivist of the United States, which appeared to have no permanent value or historical interest, submitted reports thereon pursuant to law.

SUSPENSION OF TARIFF DUTIES ON SCRAP

Mr. GEORGE. From the Committee on Finance I report back favorably without amendment the bill (H. R. 6531) to suspend the effectiveness during the existing national emergency of tariff duties on scrap iron, scrap steel, and nonferrous-metal scrap, and I submit a report (No. 1154) thereon. I ask unanimous consent for the immediate consid-

eration of the bill. As its title indicates, the bill would suspend during the emergency the existing tariff duties on scrap iron, scrap steel, and certain nonferrous-metal scrap. It is urgently recommended by the Army, by the Navy, and, in fact, by all the agencies of Government having to do with the war effort. It is stated that we have a shortage in this country this year of 6,000,000 tons of scrap. Steel cannot, of course, be made without scrap. There is at certain western ports now considerable tonnage of scrap which cannot be brought in unless the duties are lifted. The duty on certain nonferrous scrap is sufficiently high to be prohibitive. This bill merely suspends the duties during the continuance of war. I ask unanimous consent for the immediate consideration of the bill.

Mr. McNARY. Mr. President, withholding any objection at the present time, let me say that the consideration of the bill now would be a departure from the usual procedure of not considering bills which are not on the calendar unless there is almost a compelling emergency requiring consideration. It is well known to the able Senator from Georgia that, under ordinary circumstances, we do not depart from that rule.

Mr. GEORGE. I agree with the Senator, and it is a very sound rule.

Mr. McNARY. I understood the Senator to say that the bill has the recommendation of the War and Navy Departments?

Mr. GEORGE. It has.

Mr. McNARY. Has it been referred to the Treasury Department or the Tariff Commission?

Mr. GEORGE. I am advised that it is not opposed by any branch or department of the Government. It has passed the House already.

Mr. McNARY. It lifts the duties now existing?

Mr. GEORGE. It lifts the duty on scrap during the war.

Mr. McNARY. It is merely for the duration of the war?

Mr. GEORGE. Yes; merely for the duration of the war.

Mr. McNARY. And is not permanent legislation?

Mr. GEORGE. It is not permanent legislation.

Mr. McNARY. From what places is the scrap being imported?

Mr. GEORGE. Mainly from South American countries that do not have a steel industry, and, therefore, there is an accumulation of scrap there that can be made available in this country.

The immediate urgency presented this morning by gentlemen representing the War Production Board, as I recall, was the presence in harbors on the west coast of a considerable tonnage of scrap, which cannot come in until this proposed legislation shall be enacted.

Mr. McNARY. That explanation is very satisfying, Mr. President, and I have no objection.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 6531) to suspend the effectiveness during the existing national emer-

gency of tariff duties on scrap iron, scrap steel, and nonferrous metal scrap was considered, ordered to a third reading, read the third time, and passed.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Utah:

S. 2333. A bill to regulate private employment agencies engaged in interstate commerce; to the Committee on Education and Labor.

By Mr. McNARY:

S. 2334. A bill for the relief of Marguerite Polanski; to the Committee on Claims.

By Mr. STEWART:

S. 2335. A bill to amend the Social Security Act, as amended, to provide for aid to permanently and totally disabled individuals; to the Committee on Finance.

By Mr. SHIPSTEAD:

S. 2336. A bill to amend subsection (c) of section 1 of Public, No. 846, Seventy-fourth Congress (S. 3055), an act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes; to the Committee on Education and Labor.

By Mr. McCARRAN:

S. 2337. A bill to amend an act entitled "An act to regulate the hours of employment and safeguard the health of females employed in the District of Columbia," approved February 24, 1914; to the Committee on the District of Columbia.

S. 2338. A bill to provide for the establishment and operation of sampling plants, and custom mills, as an aid in the development and acquisition of strategic and critical materials which are essential to the national defense; to the Committee on Public Lands and Surveys.

By Mr. RUSSELL:

S. 2339. A bill to provide for the expeditious naturalization of former citizens of the United States who have lost United States citizenship through service with the allied forces of the United States during the first or second World War; and

S. 2340 (by request). A bill to expedite the naturalization of persons who are not citizens, who have served or who hereafter serve honorably in the military or naval forces of the United States during the present war; to the Committee on Immigration.

By Mr. BULOW:

S. 2341 (by request). A bill to amend the act approved March 14, 1936, entitled "An act to provide for vacations for Government employees, and for other purposes"; and

S. 2342 (by request). A bill to provide for lump-sum payments for annual leave due to Government employees in certain cases, and for other purposes; to the Committee on Civil Service.

(Mr. TAFT introduced Senate bill 2343, which was referred to the Committee on Military Affairs and appears under a separate heading.)

By Mr. REYNOLDS:

S. 2344. A bill to limit the initial base pay of \$21 a month for enlisted men in the Army and Marine Corps to those of the seventh grade; to the Committee on Military Affairs.

By Mr. WILEY:

S. 2345. A bill granting a pension to Emma Burgess Wing; to the Committee on Pensions.

By Mr. McNARY:

S. J. Res. 137. Joint resolution authorizing the erection of a gate and monument to commemorate the winning of the Oregon country for the United States; to the Committee on the Library.

COMPULSORY ALLOTMENTS AND ALLOWANCES FOR ENLISTED MEN

Mr. TAFT. Mr. President, an increasing number of men who are now being conscripted have dependents. In some sections of the country practically every man being selected by certain draft boards has dependents. I now introduce a bill providing for compulsory allotments and allowances for enlisted men in the active military and naval forces of the United States, and for other purposes. The bill provides for compulsory allocation of pay and for an additional allowance by the Government for dependents.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2343) to provide compulsory allotments and allowances for enlisted men in the active military and naval forces of the United States, and for other purposes, was read twice by its title and referred to the Committee on Military Affairs.

HOUSE BILL REFERRED

The bill (H. R. 6543) to amend certain provisions of the Internal Revenue Code relating to the production of alcohol was read twice by its title and referred to the Committee on Finance.

FINANCING OF THE WAR DAMAGE CORPORATION

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2198) to provide for the financing of the War Damage Corporation, to amend the Reconstruction Finance Corporation Act, as amended, and for other purposes.

Mr. MALONEY. Mr. President, I move that the Senate disagree to the amendment of the House of Representatives, ask for a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. MALONEY, Mr. BANKHEAD, Mr. RADCLIFFE, Mr. DANAHY, and Mr. TAFT conferees on the part of the Senate.

ESTATE OF MRS. EDNA B. CROOK

The VICE PRESIDENT laid before the Senate a message of the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 4557) for the relief of the estate of Mrs. Edna B. Crook, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. TUNNELL. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. BROWN, Mr. SPENCER, and Mr. CAPPER conferees on the part of the Senate.

HARRY KAHN

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 4665) for the relief

100 30



Federal charters or licenses for corporations engaged in interstate and foreign commerce has proceeded from the failure to adopt that formula, and simultaneously, with the development of centralism the economic impotence of the States and of local communities has become more and more striking.

The principal instrument of the concentration of economic power and wealth has been the corporate charter with unlimited powers—charters which afforded a detour around every principle of fiduciary responsibility; charters which permitted promoters and managers to use the property of others for their own enrichment to the detriment of the real owners; charters which made possible the violation of law without personal liability; charters which omitted every safeguard of individual and public welfare which common sense and experience alike have taught are necessary.

Among those to suffer the worst effects of the failure to require national standards for national corporations are, it is almost possible to say, the businessmen of the Nation who have been taught to fear a national charter law. Because the local corporation and the small corporation have no protection against the unfair and improper activity of the large corporation, little business has seen a constantly increasing portion of the Nation's business pass into the hands of big business.

Throughout the 50-year period during which the Government establishment at Washington has steadily grown little businessmen have always been told by the opponents of a charter system that they, the little ones, would be the victims of Government interference and control, if a national charter system were adopted. The system was not adopted and the little businessman finds himself compelled to deal with both the bureaucrat and the monopolist.

A national law which would prohibit interlocking directorships would eliminate one of the principal causes of concentration and would injure no local or small corporation.

A national law which would make corporation directors trustees in fact as well as in law would protect investors big and little and would injure no local or small corporation.

A national law which would raise a barrier to business dealings by corporation officers and directors for their own personal profit with the corporations they manage would protect investors and all honest business enterprise.

A national law which would make corporation officers and directors civilly liable personally for violations of the antitrust laws which they themselves conceived and directed would protect all business.

A national law which would clearly define the scope of subsidiary corporations and one which would standardize intercorporate financing would remove two of the causes of concentration.

These and other necessary reforms could be effected by a national charter law without in the slightest degree impairing State sovereignty. Indeed, such provisions would have the very opposite effect because they would abolish the principal means by which the concentration which has undermined local economic sovereignty has been effected.

So long as those who want to voyage at will upon the seas of interstate and foreign commerce without responsibility to the public may obtain unlimited charters from the States, there is no efficient means of safeguarding the general welfare, for even the regulatory powers of agencies like the Federal Trade Commission and the Securities and Exchange Commission are not sufficient to prevent the evils which arise from loose State charters.

If it be desirable to foster small business and encourage independent economic development in the States, if it be desirable to improve the fiduciary standards of the

modern business corporation and protect investors, the simple way is to strike at the cause and prevent the practices that are condemned instead of trying vainly to correct and punish wrongs after they have been committed.

National standards such as are suggested here would require no expanding bureaucracy to administer. They would clothe no Government employee with discretionary power. They would have the simple effect of raising the corporate standards of the entire business world and thereby would liberate business from the dangers of arbitrary power whether exercised by monopoly or Government.

In the absence of legislation of this kind, it will be quite impossible to escape the continued multiplication of Government boards and commissions. Free independent enterprise will continue to be condemned to wage an unequal battle with concentrated power and the progress of concentration will make inevitable the development of more discretionary Government tribunals to protect the masses. We must either keep business organizations within bounds or accept some form of concentrated government.

The Temporary National Economic Committee, therefore, endorses the principle of national standards for national corporations and recommends that Congress enact legislation to that effect.

[Approved. Dissenting: Sumners, Reece, O'Connell, and Pike.]

Mr. O'MAHONEY. In addition, Mr. President, I ask unanimous consent that there be printed immediately following that, the personal statement by the Chairman of the T. N. E. C., which appears on pages 47 and 48 of the final report.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PERSONAL STATEMENT OF SENATOR JOSEPH C. O'MAHONEY, CHAIRMAN OF THE TEMPORARY NATIONAL ECONOMIC COMMITTEE, ON A NATIONAL CONFERENCE TO DEVELOP NATIONAL STANDARDS FOR NATIONAL ECONOMIC ORGANIZATIONS

It is a fundamental rule of democratic society, as already pointed out in this report, that authority over the society proceeds from the whole and not from any part of it. It follows from this that the organizations which affect the whole should be amenable to the whole and should derive their authority from the whole. Organizations, which from their very nature must of necessity influence the political or economic life of a democracy, must be of a character to reflect the will of the members rather than the will of the leaders.

Democratic society is willing to permit the individual to exercise the utmost freedom because no individual acting alone can so injure the entire community (except in the case of crime) as to justify the withdrawal of individual liberty. This is not the case, however, when organizations become so large and powerful that by weight of numbers, by wealth or power they threaten or affect the public welfare. In such instances the public has the right to define the nature and the form of the organization, not for the purpose of "regimenting" it but for the sole purpose of making certain that the organization shall operate in the public interest.

For this reason, since it appears that as a result of economic concentration there are not only huge corporate business and industrial organizations which intimately affect the entire national economy, but also trade associations, agricultural associations, consumers' organizations and labor unions, as well as pressure groups of various kinds, all

of which are beyond the jurisdiction of local political subdivisions, I am personally of the opinion that the Congress, which represents all the people, should, by legislation, lay down definite standards of organization and activity for all such groups. This would be no easy task, but it seems to be preeminently a necessary one, for if the people of America in order to make the defense of democracy effective have found themselves obliged to coordinate all their forces and resources for the purposes of war, it seems clear that a similar coordination must be made effective if we are to establish the coming peace upon an unassailably democratic basis.

The mark of our economy has been largely one of restricting production for the purpose of maintaining price. That policy is to be found everywhere, but the defense crisis teaches us that stimulated production, not restricted production, is our great need. If, under the impetus of war, we are eliminating all restriction on production surely the demonstrated economic needs of millions teach us that we should have the same policy in peace. Only thus can we hope to distribute equitably among all the people the abundance Nature provides.

The termination of the war effort, putting to an end, as it may very suddenly, the industrial activity now gaining tremendous momentum, will bring with it problems more critical and more fraught with danger than those which followed the collapse of 1929. Unless the democratic society of America shall have prepared in advance for this hour there will be no alternative except Government action, which will necessarily be as inconclusive as the action which has heretofore been taken. The unsolved problems of post-war depression will be heaped upon the unsolved problems of pre-war depression and it is difficult to say how, in these circumstances, democracy can survive unless democracy prepares for peace now.

Therefore I recommend that the Congress by an appropriate statute call a national conference of the various organizations representative of business, labor, agriculture, and consumers, which have for years been working on the diverse phases of the economic problem. The duties of such a conference would be twofold: First, to define the nature and democratic responsibility of such organizations—business, labor, agriculture, and all—and, second, to define a formula for stimulated production under the impetus of peace rather than war.

Mr. O'MAHONEY. Mr. President, I also ask unanimous consent that there may be printed in the RECORD, following the other two extracts, the material on patent laws, beginning on page 36 and ending on the bottom of page 37.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

1. PATENT LAWS

No one can read the testimony developed before this committee on patents without coming to a realization that in many important segments of our economy the privilege accorded by the patent monopoly has been shamefully abused. It is there revealed in striking fashion that the privilege given has not been used, as was intended by the framers of the Constitution and by the Congress, "to promote the progress of science and the useful arts," but rather for purposes completely at variance with that high ideal. It has been used as a device to control whole industries, to suppress competition, to restrict output, to enhance prices, to suppress inventions, and to discourage inventiveness.

We have certain specific recommendations to make which, in our judgment, are clearly called for by the record before us. It should be emphasized, however, that if the pattern

of control which has been achieved through the patent monopoly continues in spite of the changes we suggest, and it is entirely possible that it will, a complete reexamination of our patent laws should be made with a view to determining whether, under present-day conditions, they are calculated to achieve their avowed purposes.

Indicated changes in the patent laws divide naturally into two general classes—procedural and substantive. In its preliminary report to the Congress, dated July 17, 1939, the committee made certain recommendations with respect to the patent laws. Some of the procedural changes recommended have since become law. Subsequent examination of the problem has confirmed our belief that substantial changes are needed, including some in addition to those already recommended.

(a) Licensing of patents: In order to eliminate the use of patents in ways inimical to the public policy inherent in the patent laws, as well as that of the antitrust laws, we recommend that the Congress enact legislation which will require that any future patent is to be available for use by anyone who may desire its use and who is willing to pay a fair price for the privilege. Machinery, either judicial or administrative, should be set up to determine whether the royalty demanded by the patentee may fairly be said to represent reasonable compensation or is intended to set a prohibitive price for such use.

This proposal is intended to prevent the suppression of patents as well as to provide for their availability for use in an equitable manner in any industry where they are a major factor.

[Approved. Dissenting: Sumners and Taylor.]

(b) Unrestricted licenses: We recommend that the owner of any patent be required to grant only unrestricted licenses, and that he not be permitted to impose restrictions upon the buyer in sales of patented articles. In other words, the holder of a patent should not be permitted to restrict a licensee in respect of the amount of any article he may produce, the price at which he may sell, the purpose for which or the manner in which he may use the patent or any article produced thereunder, or the geographical area within which he may produce or sell such article. There should be a further prohibition against any other restriction which would tend substantially to lessen competition or to create a monopoly, unless such restriction is necessary to promote the progress of science and the useful arts.

[Approved without objection.]

(c) Recording of transfers and agreements: We recommend that any sale, license, assignment, or other disposition of any patent be evidenced by an instrument in writing and that the same be required of any condition, agreement, or understanding relating to any sale or disposition of any such patent, and that in any such case a copy of such written instrument be filed with the Federal Trade Commission within 30 days after execution. There should, of course, be a substantial monetary penalty for failure to file as required.

[Approved without objection.]

(d) Limitation on suits for infringement: In order to prevent the use of litigation as a weapon of business aggression rather than as an instrument for adjudicating honest disputes, we recommend legislation which will provide that no action, based upon a charge of infringement of any patent, whether for damages, for an injunction, or for any other relief, shall be permitted against any licensee under a patent or against any purchaser or licensee or any article unless the plaintiff has previously secured a judgment against the grantor of the license or the manufacturer of the article for infringement in connection with the granting of such license or the sale of such article.

[Approved without objection.]

(e) Forfeiture of patent for violation: If any person who owns any interest in or right under a patent violates any of the prohibitions described in paragraphs (a) and (b) above, his interest therein should be forfeited, such forfeiture to be brought about in a civil action against such person by the United States. Any patent or interest therein so forfeited should become a part of the public domain.

[Approved. Dissenting: Taylor.]

(f) Single Court of Patent Appeals: In order to improve the existing mechanism for the issuance of patents and the determination of disputes relating thereto, we recommend the creation of a single Court of Patent Appeals with jurisdiction coextensive with the United States and its Territories. Such a court would replace the present 11 different and independent jurisdictions and should do much to assure uniform treatment of patents and to reduce the time and cost of patent litigation.

[Approved without objection.]

(g) Limitation on period of patent monopoly: The life of a patent should be so limited that it will expire not more than 20 years from the date of the filing of the application, thus obviating the possibility of prolonging the patent monopoly by keeping an application pending in the Patent Office a long time. This would mean that if an application were kept pending in the Patent Office for more than 3 years the 17-year term of the patent granted would be to that extent decreased.

[Approved without objection.]

PAYMENT OF ANNUAL LEAVE OF GOVERNMENT EMPLOYEES ENTERING MILITARY AND NAVAL FORCES

THE PRESIDING OFFICER. Is there objection to the present consideration of House bill 6023?

There being no objection, the bill (H. R. 6023) to provide for the payment for accumulative or accrued annual leave to certain employees of the United States, its Territories or possessions, or the District of Columbia who voluntarily enlist or otherwise enter the military or naval forces of the United States, was considered, ordered to a third reading, read the third time, and passed.

RECREATION BOARD FOR THE DISTRICT OF COLUMBIA

Mr. McCARRAN. Mr. President, I ask unanimous consent at this time to revert to order of business 1151, House bill 5075.

THE PRESIDING OFFICER. Is there objection to the request made by the Senator from Nevada?

Mr. McNARY. Mr. President, will the Senator state the nature of the bill?

Mr. McCARRAN. It is House bill 5075, to create a recreation board for the District of Columbia.

Mr. McNARY. I have no objection.

There being no objection, the Senate proceeded to consider the bill (H. R. 5075) to create a recreation board for the District of Columbia, to define its duties, and for other purposes, which had been reported from the Committee on the District of Columbia with an amendment to strike out all after the enacting clause, and to insert:

That there is hereby created in and for the District of Columbia a Recreation Board hereinafter referred to as "the Board."

ARTICLE I. MEMBERSHIP OF THE RECREATION BOARD

SECTION 1. The Board shall consist of seven members as follows: A representative of the

Board of Commissioners selected by that Board; a representative of the Board of Education selected by that Board; the Superintendent of the National Capital Parks, ex officio; and four members, who shall have been for 5 years immediately preceding their selection bona fide residents of the District of Columbia, appointed by the Commissioners of the District of Columbia for a term of 4 years each, except the original appointments which shall be for terms of 1, 2, 3, and 4 years, respectively. The appointment of the four citizens shall be without regard to race, sex, or creed, and shall take judicious account of the various parent, civic, and other organizations through which residents of the District voice their civic wishes and advance the common welfare. The two members of the Board representing the Board of Commissioners and the Board of Education shall be designated annually by their respective agencies.

SEC. 2. The members of the Board shall not be personally liable in damages for any official action of the said Board performed in good faith, nor shall any member of said Board be liable for any costs that may be taxed against them or the Board on account of any such official action; but such costs shall be charged to the District of Columbia and paid as other costs are paid in suits brought against the municipality; nor shall the said Board or any of its members be required to give any supersedeas bond or security for costs or damages on any appeal whatever.

SEC. 3. Vacancies shall be filled for the unexpired term by the agency which made the original selection.

SEC. 4. The members of the Board shall serve without compensation for such service.

SEC. 5. The Board shall select from among its citizen membership its chairman and its secretary and is hereby authorized and empowered to adopt all necessary rules and regulations for the conduct of its business.

SEC. 6. The Board shall hold stated meetings and such additional meetings as they may from time to time deem necessary. All meetings of the Board shall be open to the public.

ARTICLE II. FUNCTIONS AND ADMINISTRATIVE RESPONSIBILITIES OF THE BOARD

SECTION 1. The Board shall determine all questions of general policy relating to public recreation in and for the District of Columbia, and shall supervise and direct expenditure of all appropriations and/or other funds made available to the Board.

SEC. 2. The Board is hereby authorized to appoint a Superintendent of Recreation, which position is hereby authorized and created, who shall be the chief executive officer of the Board but not a member thereof, and shall be charged with the general organization, administration, and supervision of the program of public recreation contemplated and provided for by this Act. The Superintendent shall be a person of such training, experience, and capacity as will especially qualify him to discharge the duties of the office. He shall possess those qualifications of education, training, and experience in recreation work as well as executive and administrative experience which will assure a thorough knowledge of current theory and practice in public recreation and give promise of the administrative ability necessary to administer a program of public recreation in and for the Nation's Capital.

The Board, upon the recommendation of the Superintendent, is empowered to appoint, promote, demote, and terminate the employment of such personnel as are necessary to carry out the purposes of this act. The Superintendent may suspend for cause for a period not exceeding 30 days any employee of the Board.

All present personnel of the Community Center and Playgrounds Department whose

[PUBLIC LAW 517—77TH CONGRESS]

[CHAPTER 220—2D SESSION]

[H. R. 6023]

AN ACT

To provide for the payment for accumulative or accrued annual leave to certain employees of the United States, its Territories or possessions, or the District of Columbia, who voluntarily enlist or otherwise enter the military or naval forces of the United States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act making provisions for payment of employees of the United States Government, its Territories or possessions, or the District of Columbia, for accumulated or accrued annual leave when ordered to active duty with the military or naval forces of the United States", approved August 1, 1941, is amended to read as follows:

"That employees of the United States Government, its Territories or possessions, or the District of Columbia (including employees of any corporation created under authority of an Act of Congress which is either wholly controlled or wholly owned by the United States Government, or any corporation, all the stock of which is owned or controlled by the United States Government, or any department, agency, or establishment thereof, whether or not the employees thereof are paid from funds appropriated by Congress), who, subsequent to May 1, 1940, shall have entered upon active military or naval service in the land or naval forces of the United States by voluntary enlistment or otherwise, shall be entitled to receive, in addition to their military pay, compensation in their civilian positions covering their accumulated or current accrued leave, or to elect to have such leave remain to their credit until their return from active military or naval service."

Approved, April 7, 1942.



